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December 13, 2002

To: County Superintendents of Schools, County Auditors, and County Treasurers

From: Janet Sterling, Director  
School Fiscal Services Division

Subject: Notice of the Recertified Special Purpose Apportionment: Pupil Transportation (Special Purpose), School Improvement Program, and Economic Impact Aid, Fiscal Year 2002-03

This apportionment, in the amount of \$1,183,848,793, is made from funds provided in the 2002 Budget Act (Chapter 379, Statutes of 2002), and Assembly Bill (AB) 2781 (Chapter 1167, Statutes of 2002). These funds support the Pupil Transportation (Special Purpose), the School Improvement (SIP), and Economic Impact Aid (EIA) programs. This recertification reflects fiscal year 2002-03 entitlements for SIP, rather than estimates based on prior year allocations as were used in the previous certifications. This apportionment also recertifies EIA funding for two counties; funding for all other counties remains the same as in the November 15, 2002 certification.

Note that the 2002-03 levels of funding for Pupil Transportation and SIP are reduced from prior year levels. AB 2781 also changed the allocation process, requiring that the 2002-03 funds for these programs be apportioned in each of the months September through March with just over 14 percent, or one-seventh, of the annual entitlement apportioned in each month. The December 2002 apportionment will bring the amount "paid to date" to 57.1428 percent, or four-sevenths of the annual entitlement. Funds to be apportioned in January, February and March 2003 will equal the remaining three-sevenths of the total annual entitlement.

LEAs will receive one hundred percent of the total annual entitlement by March 31, 2002. No funds will be distributed in April, May and June. However, the Legislature already has appropriated special Pupil Transportation and SIP funds for 2003-04 to be allocated in July 2003. The July 2003 apportionment equals about 27 percent of the combined 2003-04 special apportionment and 2002-03 funding for these two programs.

Apportionments to local educational agencies (LEAs) for EIA will follow the traditional special purpose formula of 10 percent monthly for the 10 months of September 2002 through June 2003. The apportionment for December 2002 equals 40 percent of the annual entitlement, less funds previously apportioned through November 2002.

The Summary of Apportionment and the Monthly Payment Schedule show subtotals for the SIP and Transportation funds. The State Controller will issue one warrant for the total payment of this apportionment.

**Notice, Summary, and Exhibits Enclosed**

- A. Notice of the Recertified Special Purpose Apportionment: Pupil Transportation (Special Purpose), School Improvement Program and Economic Impact Aid, Fiscal Year 2002-03
- B. Schedules of Apportionments-Computer Printout Tabulations
  - 1. School Improvement Program – Exhibit II
  - 2. Economic Impact Aid Program – Exhibit III
- C. Summary of Apportionments by County
- D. Monthly Payment Schedule

**Program Notes**

Pupil Transportation – There has been no change to the annual entitlement previously certified.

School Improvement Program (SIP) – The SIP apportionment has been recertified for all counties. Previous certifications were based on an estimated entitlement for fiscal year 2002-03. The December certification is based on the actual 2002-03 entitlements (this does not include the 2003-04 appropriation).

In Exhibit II, the amounts in the column entitled “Amount for Each Operating District” should be credited to the account of school districts indicated in the first column. The list of member school districts in cooperatives (second column) and the amount of entitlement for these school districts (third column) provide information for county superintendents of school districts involved in cooperative programs.

There is no restriction on the amount of School Improvement Program funds that may be carried over from year to year. For standardized account code structure (SACS) coding, use Resource Codes 7260, School Improvement Program-Grades K to 6, and 7265, School Improvements Program Grades 7 to 12 (Optional Code). Use Revenue Object Code 8311, Other State Apportionments-Current Year for all grades. For non-SACS coding, use Income Account Code 8344, School Improvements Program.

Economic Impact Aid (EIA) – The EIA apportionment has been recertified for two counties, Fresno and San Bernardino. For all other counties, there has been no change to the annual entitlement previously certified.

In Exhibit III, the amounts in the column entitled “Amount for Each Operating District” should be credited to the account of school districts or LEAs indicated in the first column.

There is no restriction on the amount of EIA funds that may be carried over from one year to the next. For SACS coding, use Resource Code 7090, Economic Impact Aid, and Revenue Object Code 8311, Other State Apportionments-Current Year. For non-SACS coding, use Income Account Code 8346, Economic Impact Aid.

Supplemental Grants Roll-In – No Supplemental Grant funding is provided in 2002-03. As such, no allocations will be made for Supplemental Grants which contribute to the SIP and EIA and Transportation program selections made pursuant to *Education Code* Section 54761.2 in 2002-03. However, AB 2781, Section 50 (a)(4) appropriates \$ 241,739,000 for a special supplemental grant apportionment in July 2003.

Transportation, SIP and EIA for Charter Schools – Beginning in fiscal year 2002-03, all charter schools, except for certain districts with all schools converting to charter status, are being funded through the charter school block grant funding model pursuant to *Education Code* Section 47633 et. seq., which includes categorical block grant funds in lieu of various categorical programs, including SIP and EIA. These block grant funds are allocated as part of the revenue limit Principal Apportionment process. Charter enrollment and average daily attendance will be excluded from district totals when computing the 2002-03 entitlements for SIP and EIA. For purposes of Pupil Transportation, however, *Education Code* Section 47612 deems a charter school to be a school district. As such, to establish base transportation funding for a charter school, the district must determine its cost to transport the charter school students previously served by the district. This will establish the separate transportation funding base for the charter school and result in a corresponding reduction to the district's allowance.

### **More Information/Questions**

County offices of education should notify LEAs in their county of the information included in this apportionment. In addition, this apportionment letter will be posted on the California Department of Education Web site at: [www.cde.ca.gov/fiscal/categorical](http://www.cde.ca.gov/fiscal/categorical). General questions concerning this apportionment may be directed to Ross Valentine (916) 327-4405 or by e-mail ([rvalenti@cde.ca.gov](mailto:rvalenti@cde.ca.gov)). For specific program areas, please contact the School Fiscal Services Division staff as follows:

<u>Program</u>	<u>Contact</u>	<u>Area Code (916)</u>	<u>E-Mail Address</u>
Pupil Transportation	Leslie McCage	324-4537	<a href="mailto:lmccage@cde.ca.gov">lmccage@cde.ca.gov</a>
School Improvement	Julie Brucklacher	327-4406	<a href="mailto:jbruckla@cde.ca.gov">jbruckla@cde.ca.gov</a>
Economic Impact Aid	Ross Valentine	327-4405	<a href="mailto:rvalenti@cde.ca.gov">rvalenti@cde.ca.gov</a>

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Enclosures

County Superintendents of Schools, County Auditors, and County Treasurers  
December 13, 2002  
Page 4

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